

TOWN OF LOCKPORT
LOCKPORT, LOUISIANA
ANNUAL FINANCIAL REPORT
For the Year Ended
June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/6/10

TOWN OF LOCKPORT
LOCKPORT, LOUISIANA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2009

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TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Our discussion and analysis of the Town of Lockport's (The Town) financial performance provides an overview of financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The *Government-Wide Financial Statements* (GWFS) – The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of finances. *Fund Financial Statements* (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in the *INDEPENDENT AUDITOR'S REPORT*, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the *INDEPENDENT AUDITOR'S REPORT* carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about The Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not The Town as a whole. Some funds are required to be established by State laws or bond covenants.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Major Fund presentation is presented on a modified accrual basis of accounting. This is the manner in which the financial plan is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principle (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Proprietary Funds encompass enterprise funds on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

While the total columns on the proprietary fund financial statements for enterprise funds is the same as the business-type activities columns on the government-wide financial statements, the governmental major funds total column requires a reconciliation because of the different measurement focus.

The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements.

FINANCIAL HIGHLIGHTS

The basic financial statements provide these insights into the results of this year's operations:

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Governmental Activities

- Net assets of our governmental activities increased by \$171,015 or 5% as a result of this year's operations.
- Total expenses for program activities of the governmental funds were \$957,569 for the year, which was \$305,491 more than the \$652,078 generated from charges for services and the grants and contributions received for these activities. The remainder of these expenses was covered by general revenues from property taxes collected and investment earnings of \$476,506 that resulted in a net increase in net assets of \$171,015.
- The governmental funds reported a total ending fund balance of \$1,136,467. Fund balance for governmental activities increased by \$138,420 or 14% from the prior year resulting in an ending fund balance of \$1,136,467.

Business-Type Activities

- Net assets of our business-type activities decreased by \$20,401 or 1.41% as a result of this year's operations.
- Total expenses for the business-type activities were \$1,245,553 for the year, which was \$99,639 more than the \$188,345 generated from charges for services and the grants and contributions received for these activities. The addition of general revenues from investment earnings and transfers from governmental funds of \$79,238 resulted in a net decrease in net assets of \$20,401.

FINANCIAL ANALYSIS OF THE CENTER AS A WHOLE (GWFS)

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. A condensed Statement of Net Assets follows:

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$1,159,375	\$1,117,028	\$ 23,161	\$ 282,582	\$1,182,536	\$1,399,610
Restricted Assets			191,948	218,226	191,948	218,226
Capital Assets	2,132,146	2,117,697	1,953,265	1,793,023	4,085,411	3,910,720
Total Assets	3,291,521	3,234,725	2,168,374	2,293,831	5,459,895	5,528,556
Current Liabilities	42,215	137,127	97,967	109,023	140,182	246,150
Long Term Liabilities	-	19,307	644,000	738,000	644,000	757,307
Total Liabilities	42,215	156,434	741,967	847,023	784,182	1,003,457
Invested in Capital Assets	2,112,839	2,080,244	1,215,265	961,023	3,328,094	3,041,267
Restricted	498,774	287,302	184,079	210,045	682,853	497,347
Unrestricted	637,693	710,745	27,063	275,740	664,756	986,485
Total Net Assets	\$3,249,306	\$3,078,291	\$1,426,407	\$1,446,808	\$4,675,713	\$4,525,099

On a government-wide basis, the assets of the Town exceeded its liabilities, resulting in total net assets at the close of the fiscal year of over \$4.5 million. The overall financial position increased during the year. Total net assets of the governmental activities increased by \$171,015 or 5.5% from the previous year, while total net assets of the business-type activities decreased by \$20,401 or 1.4%.

Of the Town's total governmental net assets at the end of the fiscal year, \$664,756 or 14.2% is unrestricted and may be used to meet ongoing obligations to citizens and creditors. The balance in net assets represents the accumulated results of all past years' operations. By far the largest portion of the Town's net assets (67%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Some of the Town's assets are restricted (\$682,853 or 14.6%) for debt service and other purposes.

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

A condensed Statement of Activities follows:

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program expenses:						
General government	\$ 337,532	\$ 271,593			\$ 337,532	\$ 271,593
Streets and Highways	116,400	104,534			116,400	104,534
Drainage	68,514	68,472			68,514	68,472
Public Safety	414,345	375,481			414,345	375,481
Culture and recreation	20,778	14,298			20,778	14,298
Sewer			287,984	232,020	287,984	232,020
Total Expenses	957,569	834,378	287,984	232,020	1,245,553	1,066,398
Program Revenues:						
Charges for Services	312,657	274,505	164,976	163,315	477,633	437,820
Operating grants & contributions	58,516	56,448	-		58,516	56,448
Capital grants & contributions	280,905	340,510	23,369	74,931	304,274	415,441
Total Program Revenues	652,078	671,463	188,345	238,246	840,423	909,709
Net Program Income	(305,491)	(162,915)	(99,639)	6,226	(405,130)	(156,689)
General Revenues:						
Ad valorem taxes	64,748	60,392			64,748	60,392
Sales Taxes	393,677	473,977			393,677	473,977
Other Taxes	64,588	64,815			64,588	64,815
Other	28,493	107,584	4,238	16,553	32,731	124,137
Total General Revenues	551,506	706,768	4,238	16,553	555,744	723,321
Increase/(decrease) in net assets before transfers	246,015	543,853	(95,401)	22,779	150,614	566,632
Transfers (out) in:	(75,000)	(200,000)	75,000	200,000	-	-
Increase/(decrease) in net assets	171,015	343,853	(20,401)	222,779	150,614	566,632
Net Assets:						
Beginning of the year	3,078,291	2,734,438	1,446,808	1,224,029	4,525,099	3,958,467
End of the year	\$3,249,306	\$3,078,291	\$1,426,407	\$1,446,808	\$4,675,713	\$4,525,099

Governmental activities increased the net assets by \$150,614. A total of 42% of the revenues were derived from various taxes followed by 27% for operating and capital grants and contributions, and 25% for charges for services. Overall expenses in governmental activities increased by 13% or close to \$125,000 with the most significant increases in general government and public safety.

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

The business-type activities decreased the net assets by \$20,401. Most of the revenue received (\$164,976 or 88%) was for charges for services provided for sewer disposal and maintenance. Other revenue received was from grants and transfers from other funds. Overall expenses in the business-type activities increased by 24% or close to \$56,000.

FINANCIAL ANALYSIS OF FUNDS (FUND FINANCIAL STATEMENTS)

As noted earlier, The Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for funding future operational needs.

Governmental funds reported a combined ending fund balance of \$1,136,467. This reflected an increase of \$138,420. This increase is primarily the result of the events and programs described within the analysis of its governmental activities.

If the assets, liabilities, revenues or expenditures of a governmental fund exceed 10% of the total of all governmental funds, that fund is reported as a major governmental fund in the accompanying fund financial statements. Following is a discussion of the Town's major funds:

The General Fund is the chief operating fund. At the end of the current fiscal year, unreserved and undesignated fund balance totaled \$637,693. The fund balance of the General Fund increased by \$52,367 during the current fiscal year.

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. At the end of the current fiscal year, unreserved fund balance totaled \$385,466

The Building Maintenance Fund accounts for the receipt and use of proceeds from lease and/or rental of the Town Hall Complex. At the end of the current fiscal year, unreserved fund balance totaled \$113,308.

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Fees and charges for services in the Sewer Fund were slightly over \$150,000. Non-operating revenue of \$16,337 and grants and transfers of \$98,369 were also recorded in this fund. Total operating expenses for providing sewer services of \$264,365 resulted

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

in an operating loss of \$111,488. Net assets for the Sewer Fund at June 30, 2009 were \$1,426,407, a decrease of approximately \$20,000 from the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised to reflect a net increase of \$117,419. Supplemental appropriations or authorized budget amendments were necessary and approved as follows:

Increase (Decrease) due to:	Budgeted Amounts		Increase
	Original	Final	(Decrease)
REVENUES:			
Ad Valorem Taxes	\$ 60,000	\$ 65,402	\$ 5,402
Sales and Use Tax	100,000	104,228	4,228
Franchise Taxes	65,000	69,567	4,567
Licenses and Permits	161,500	162,094	594
Intergovernmental	44,950	65,395	20,445
Fines and Forfeitures	48,150	52,221	4,071
Miscellaneous	15,400	34,628	19,228
Total Revenues	495,000	553,535	58,535
EXPENDITURES:			
General government	183,538	193,366	9,828
Streets and Highways	97,415	98,850	1,435
Drainage	39,000	40,088	1,088
Public Safety - Police	345,896	355,497	9,601
Culture and Recreation	9,365	16,277	6,912
Total Current	675,214	704,078	28,864
Capital Outlay	59,000	21,278	(37,722)
Total Expenditures	734,214	725,356	(8,858)
OTHER FINANCING SOURCES			
Interfund Transfers	120,000	127,776	7,776
FUND BALANCE:			
Beginning	542,536	584,786	42,250
Ending	\$ 423,322	\$ 540,741	\$ 117,419

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2009 and 2008 was \$4,085,407 and \$3,910,720 respectively.

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 219,723	\$ 219,723	\$ -	\$ -	\$ 219,723	\$ 219,723
Construction in Progress	8,375	16,136	-	88,891	8,375	105,027
Buildings	1,113,118	990,348	-	-	1,113,118	990,348
Drainage	1,787,232	1,838,805	-	-	1,787,232	1,838,805
Autos & Trucks	447,318	451,206	-	-	447,318	451,206
Parks	102,955	102,955	-	-	102,955	102,955
Sewer System	-	-	2,779,923	2,485,955	2,779,923	2,485,955
Equipment and Machinery	-	-	58,607	35,167	58,607	35,167
Total Cost	3,678,716	3,619,173	2,838,530	2,610,013	6,517,246	6,229,186
Accumulated Depreciation	1,546,575	1,501,476	885,264	816,990	2,431,839	2,318,466
Net Capital Assets	<u>\$2,132,146</u>	<u>\$2,117,697</u>	<u>\$1,953,266</u>	<u>\$1,793,023</u>	<u>\$4,085,412</u>	<u>\$3,910,720</u>
Depreciation Expense	<u>\$ 117,837</u>	<u>\$ 114,544</u>	<u>\$ 68,274</u>	<u>\$ 57,468</u>	<u>\$ 186,111</u>	<u>\$ 172,012</u>

This year there was \$155,167 of capital additions in the governmental funds and \$317,407 in the business-type fund for building improvements and equipment and \$87,858 of disposals of infrastructure and equipment, reflecting the net increase in capital assets before depreciation.

More detailed information about the capital assets is presented in Note 8 to the basic financial statements.

LONG-TERM DEBT

The Town is in its final year of a lease agreement for financing the acquisition of three vehicles. The outstanding balance of future minimum lease payments of \$19,307 will be completed in the next fiscal year and is consequently considered to current.

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

On December 1, 1996 the Town issued Sewer Revenue Bonds Series 1995 in the amount of \$1,770,000 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding at June 30, 2009 are \$738,000 repayable through 2016 at an interest rate of 2.45% plus a .5% annual administration fee.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered when budgeting for the next fiscal year. Possible new laws and regulations, increased rates and fees that would be charged, and possible new grant funding sources were all considered.

Historically, the office staff and cost remain relatively stable and should continue to do so. The Town is anticipating more capital expenditures in the next fiscal year.

Highlights of next year's General fund budget include:

Beginning Fund Balance	\$	540,744
Projected Revenue		552,650
Projected Expenditures		(805,079)
Projected Other financing sources		209,500
Ending Fund Balance	\$	<u>497,815</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Gerard Leonard, Town Clerk
Town of Lockport
710 Church Street
Lockport, LA 70374
985-532-3117

BASIC FINANCIAL STATEMENTS



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Lockport, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Lockport, Louisiana (the Town) as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Lockport, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Lockport, Louisiana as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Thibodaux, Louisiana
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In accordance with *Government Auditing Standards*, we have also issued a report dated September 8, 2009, on our consideration of the Town of Lockport, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion & Analysis and Required Supplemental Information, as listed in the foregoing table of contents, are not a required part of the basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying financial information listed in the supplementary information section, except for the information contained in the Schedule of Insurance in Force, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Insurance in Force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Stagni & Company

Thibodaux, LA
September 8, 2009



TOWN OF LOCKPORT

Statement of Net Assets

June 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 349,058	\$ 10,034	\$ 359,092
Investments	636,751	92	636,843
Receivable	16,202	-	16,202
Due from other governments	153,355	12,888	166,243
Other assets	4,009	147	4,156
Restricted assets:			
Investments	-	191,948	191,948
Capital assets:			
Non-depreciable	228,098	-	228,098
Depreciable, net	1,904,048	1,953,265	3,857,313
TOTAL ASSETS	<u>3,291,521</u>	<u>2,168,374</u>	<u>5,459,895</u>
LIABILITIES			
Accounts payable and accrued expenses	18,856	-	18,856
Deferred revenues	150	-	150
Due to others	3,902	(3,902)	-
Accrued interest payable	-	7,869	7,869
Non-current liabilities:			
Due within one year	19,307	94,000	113,307
Due in more than one year	-	644,000	644,000
TOTAL LIABILITIES	<u>42,215</u>	<u>741,967</u>	<u>784,182</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,112,839	1,215,265	3,328,104
Restricted for:			-
Other purposes	498,774	-	498,774
Debt service	-	184,079	184,079
Unrestricted	637,693	27,063	664,756
Total net assets	<u>\$ 3,249,306</u>	<u>\$ 1,426,407</u>	<u>\$ 4,675,713</u>

See notes to financial statements.

TOWN OF LOCKPORT

Statement of Activities

As of and for the year ended June 30, 2009

	Program Revenue			Net (Expense) Revenue and Change in Net Assets		
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Governmental Activities	Business-Type Activities
Primary Government:						
Governmental activities:						
General government	\$ 337,532	\$ 260,846	\$ 2,745	\$ 257,905	\$ 183,964	\$ 183,964
Street and highways	116,400	-	25,171	-	(91,229)	(91,229)
Drainage	68,514	-	-	-	(68,514)	(68,514)
Public Safety	414,345	51,811	30,600	23,000	(308,934)	(308,934)
Culture and recreation	20,778	-	-	-	(20,778)	(20,778)
Total governmental activities	957,569	312,657	58,516	280,905	(305,491)	(305,491)
Business-type activities						
Sewer	287,984	164,976	-	23,369	-	(99,639)
Total primary government	\$ 1,245,553	\$ 477,633	\$ 58,516	\$ 304,274	(305,491)	(405,130)
General Revenues:						
Taxes:						
Property					64,748	64,748
Sales taxes					393,677	393,677
Franchise taxes					64,588	64,588
Grants and contributions not restricted to specific programs					15,700	15,700
Unrestricted investment earnings					5,909	10,147
Gain on disposal of assets					(20,731)	(20,731)
Miscellaneous					27,615	27,615
Transfers (to) from other funds					(75,000)	-
Total general revenues and transfers					476,506	555,744
Change in net assets					171,015	150,614
Net assets - beginning					3,078,291	4,525,099
Net assets - ending					\$ 3,249,306	\$ 4,675,713

See notes to the financial statements.

TOWN OF LOCKPORT

Balance Sheet Governmental Funds June 30, 2009

	General	Sales Tax	Building Maintenance	Total Governmental
ASSETS				
Cash and cash equivalents	\$ 184,332	\$ 123,132	\$ 41,594	\$ 349,058
Investments	338,546	226,259	71,946	636,751
Accounts receivable	16,202	-	-	16,202
Due from other governments	117,429	35,926	-	153,355
Other Assets	3,860	149	-	4,009
TOTAL ASSETS	\$ 660,369	\$ 385,466	\$ 113,540	\$ 1,159,375
LIABILITIES				
Accounts payable and accrued expenses	\$ 18,856	\$ -	\$ -	\$ 18,856
Deferred Revenue	-	-	150	150
Due to other funds	3,820	-	82	3,902
TOTAL LIABILITIES	22,676	-	232	22,908
FUND BALANCES				
Unreserved, reported in:				
General Fund	637,693	-	-	637,693
Special Revenue Funds	-	385,466	113,308	498,774
TOTAL FUND BALANCES	637,693	385,466	113,308	1,136,467
TOTAL LIABILITIES AND FUND BALANCES	\$ 660,369	\$ 385,466	\$ 113,540	

RECONCILIATION TO THE STATEMENT OF NET ASSETS:

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources
and therefore, are not reported in the governmental funds:

Non-depreciable capital assets	228,098	
Depreciable capital assets	3,450,623	
Accumulated depreciation	(1,546,575)	2,132,146

Some liabilities are not due and payable in the current period and therefore
are not reported in the funds:

Capital lease obligations	(19,307)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$3,249,306

TOWN OF LOCKPORT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General	Sales Tax	Building Maintenance	Total Governmental
REVENUES				
Taxes	\$ 220,294	\$ 302,719	\$ -	\$ 523,013
Licenses and permits	181,625	-	-	181,625
Intergovernmental	193,516	-	162,630	356,146
Fines and forfeitures	51,811	-	-	51,811
Miscellaneous	48,550	2,745	62,575	113,870
Total Revenues	695,796	305,464	225,205	1,226,465
EXPENDITURES				
Current:				
General government	187,904	4,524	113,727	306,155
Streets and highways	93,464	-	-	93,464
Drainage	40,134	-	-	40,134
Public safety	381,132	-	-	381,132
Culture and recreation	16,450	-	-	16,450
Total current expenditures	719,084	4,524	113,727	837,335
Capital outlay	31,578	-	123,589	155,167
Debt service:				
Principal	18,146	-	-	18,146
Interest	2,397	-	-	2,397
Total expenditures	771,205	4,524	237,316	1,013,045
Excess (Deficiency) of Revenues Over Expenditures	(75,409)	300,940	(12,111)	213,420
Other Financing Sources (Uses)				
Operating Transfers In	127,776	-	-	127,776
Operating Transfers Out	-	(202,776)	-	(202,776)
Total other financing sources (uses)	127,776	(202,776)	-	(75,000)
Net changes in fund balances	52,367	98,164	(12,111)	138,420
FUND BALANCES				
Beginning of year	585,326	287,302	125,419	998,047
End of year	\$ 637,693	\$ 385,466	\$ 113,308	\$ 1,136,467

See notes to financial statements.

TOWN OF LOCKPORT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2009

Net change in fund balances - total governmental funds (fund financial statements) \$ 138,420

Amounts reported for *governmental activities* in the statement of activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund.
Governmental activities report depreciation expense to allocate the cost of those
capital assets over the estimated useful lives of the asset. Governmental funds
also report proceeds of sales of capital assets whereas in the statement
of activities the net gain or loss is reported.

Capital outlay	\$ 155,167	
Proceeds from sale of capital assets	(2,150)	
Gain on sale of assets	(20,731)	
Depreciation expense		
General government	(28,980)	
Streets and highways	(22,936)	
Drainage	(28,380)	
Public safety	(33,213)	
Culture and recreation	<u>(4,328)</u>	
	(117,837)	14,449

Repayment of long term debt is reported as an expenditure in governmental
funds, but the repayment reduces long-term liabilities in the statement of
net assets. In the current year, these amounts consists of:

Capital lease payments	<u>18,146</u>
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Change in net assets of governmental activities \$ 171,015

See notes to financial statements.

TOWN OF LOCKPORT
 Budget Comparison Schedule
 General Fund
 For the Year Ended June 30, 2009

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad Valorem	\$ 60,000	\$ 65,402	\$ 64,748	\$ (654)
Sales and Use	100,000	104,228	90,958	(13,270)
Franchise:				
Vision Communications	14,000	12,852	12,149	(703)
Entergy	45,000	50,000	45,964	(4,036)
South Coast Gas	6,000	6,715	6,475	(240)
Licenses and Permits:				
Occupational Licenses	160,000	160,594	179,834	19,240
Building Permits	1,500	1,500	1,791	291
Intergovernmental:				
Federal grants:				
Disaster Relief	-	-	95,275	95,275
State of Louisiana:				
Beer Taxes	5,000	6,264	5,733	(531)
Tobacco Taxes	4,500	-	-	-
Parish Transportation Program	-	18,124	22,721	4,597
State Maintenance Contract	2,450	2,450	2,450	-
Video Poker	30,000	27,766	28,422	(1,344)
Supplemental Pay	-	-	30,600	30,600
State Grants	-	7,700	7,700	-
Lafourche Parish Council:				
Off Track Betting	3,000	3,091	2,615	(476)
Fines and Forfeitures	48,150	52,221	51,811	(410)
Miscellaneous:				
Donations - Lockport Fall Food Festival	7,000	8,000	8,000	-
Donations - Police Department	-	9,000	23,000	14,000
Interest Eamed	8,000	4,414	4,405	(9)
Other	400	13,214	10,995	(2,219)
Proceeds from sale of assets	-	-	2,150	2,150
Total Revenues	495,000	553,535	695,796	142,261
EXPENDITURES				
General government				
Current:				
Salaries	81,100	79,238	78,274	964
Retirement	8,474	9,360	9,424	(64)
Payroll Expense	1,914	11,047	11,171	(124)
Accounting	10,000	3,634	2,884	750
Legal and Auditing	32,000	39,925	39,107	818
Insurance	18,650	16,386	16,567	(181)
Conferences	8,000	8,000	5,509	2,491
Travel	2,500	675	626	49
Utilities, phone and postage	6,000	6,609	6,398	211
Maintenance and supplies	5,000	8,207	8,436	(229)
Dues and subscriptions	2,000	3,766	3,152	614
Rent Expense	1,800	1,800	1,800	-
Vehicle Expense	650	1,676	1,536	140
Bank Charges	150	639	616	23
Sales tax Collection Fee	4,700	1,112	1,112	-
Hurricane Expense	-	904	904	-
Other Expenses	600	388	388	-
Total current expenditures	183,538	193,366	187,904	5,462
Capital outlay	6,000	3,700	-	3,700

TOWN OF LOCKPORT
 Budget Comparison Schedule
 General Fund
 For the Year Ended June 30, 2009

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Total General Governmental	189,538	197,066	187,904	9,162
Streets and Highways				
Current:				
Salaries	32,000	28,059	26,151	1,908
Retirement	3,950	3,191	2,968	223
Payroll Expense	390	4,842	4,834	8
Insurance	11,900	4,029	3,574	455
Conferences	1,000	-	-	-
Utilities, phone and postage	1,200	894	915	(21)
Vehicle Expense	1,800	2,277	2,168	109
Maintenance and supplies	10,000	9,205	9,086	119
Street Lights	30,000	37,776	35,299	2,477
Shells and Blacktop	2,500	2,079	2,079	-
Hurricane Expense	-	2,130	2,130	-
Other Expenses	2,675	4,368	4,260	108
Total current expenditures	97,415	98,850	93,464	5,386
Capital outlay	-	0	-	-
Total Streets and Highways	97,415	98,850	93,464	5,386
Drainage				
Current:				
Salaries	16,950	21,139	21,691	(552)
Retirement	2,100	2,757	2,822	(65)
Payroll Expense	200	4,508	4,513	(5)
Insurance	8,000	4,361	3,630	731
Utilities, phone and postage	1,200	844	869	(25)
Vehicle Expense	1,800	2,035	1,945	90
Maintenance and supplies	8,500	2,313	2,511	(198)
Hurricane Expense	-	147	147	-
Other Expenses	250	1,984	2,006	(22)
Total current expenditures	39,000	40,088	40,134	(46)
Capital outlay	25,000	7,000	7,000	-
Total Drainage	64,000	47,088	47,134	(46)
Public Safety - Police				
Current:				
Salaries	199,846	205,034	231,377	(26,343)
Retirement	19,228	21,503	21,441	62
Payroll Expense	18,498	30,203	30,159	44
Insurance	36,424	28,686	28,355	331
Conferences	5,000	4,520	4,863	(343)
Utilities, phone and postage	9,500	9,230	9,612	(382)
Vehicle Expense	32,500	23,590	23,646	(56)
Maintenance and supplies	10,000	13,528	12,516	1,012
Office Rent	7,200	7,200	7,200	-
Hurricane Expense	-	2,508	2,508	-
Other Expenses	7,700	9,495	9,455	40
Total current expenditures	345,896	355,497	381,132	(25,635)
Debt Service				
Principal Retirement	-	-	18,146	(18,146)
Interest and Fiscal Charges	-	-	2,397	(2,397)
	-	-	20,543	(20,543)
Capital Outlay	28,000	10,578	24,578	(14,000)

TOWN OF LOCKPORT
 Budget Comparison Schedule
 General Fund
 For the Year Ended June 30, 2009

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Public Safety - Police	373,896	366,075	426,253	(60,178)
Culture and Recreation				
Current:				
Salaries	2,900	5,073	5,399	(326)
Retirement	400	661	685	(24)
Payroll Expense	25	32	33	(1)
Insurance	200	172	172	-
Utilities, phone and postage	3,840	3,255	3,144	111
Maintenance and supplies	2,000	2,585	2,518	67
Hurricane Expense		4,482	4,482	-
Other Expenses		17	17	-
Total current expenditures	9,365	16,277	16,450	(173)
Capital outlay	-	-	-	-
Total Culture and Recreation	9,365	16,277	16,450	(173)
Total Expenditures				
Current	675,214	704,078	719,084	(15,006)
Debt Service	-	-	20,543	(20,543)
Capital Outlay	59,000	21,278	31,578	(10,300)
	734,214	725,356	771,205	(45,849)
Excess (Deficiency) of Revenues over Expenditures	(239,214)	(171,821)	(75,409)	96,412
OTHER FINANCING SOURCES (USES)				
Operating Transfers In -				
Sales Tax Fund	120,000	127,776	127,776	-
Total other financing sources (uses)	120,000	127,776	127,776	-
Net changes in fund balances	(119,214)	(44,045)	52,367	96,412
FUND BALANCES				
Beginning of year	542,536	584,786	585,326	540
End of year	\$ 423,322	\$ 540,741	\$ 637,693	\$ 96,952

TOWN OF LOCKPORT
 Budget Comparison Schedule
 Sales Tax Fund
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes - sales and use	\$ 300,000	\$ 344,092	\$ 302,719	\$ (41,373)
Interest Earned	8,000	2,755	2,745	(10)
Total Revenues	<u>308,000</u>	<u>346,847</u>	<u>305,464</u>	<u>(41,383)</u>
EXPENDITURES				
General Government - Current:				
Rent expense	1,800	1,800	1,800	-
Collection Fee	2,800	3,441	2,724	717
Total current expenditures	<u>4,600</u>	<u>5,241</u>	<u>4,524</u>	<u>717</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>303,400</u>	<u>341,606</u>	<u>300,940</u>	<u>(40,666)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out:				
General Fund	(120,000)	(127,776)	(127,776)	-
Sewer Fund	<u>(55,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	-
Total other financing uses	<u>(175,000)</u>	<u>(202,776)</u>	<u>(202,776)</u>	-
Net change in fund balance	<u>128,400</u>	<u>138,830</u>	<u>98,164</u>	<u>(40,666)</u>
FUND BALANCES				
Beginning of year	287,302	287,302	287,302	-
End of year	<u>\$ 415,702</u>	<u>\$ 426,132</u>	<u>\$ 385,466</u>	<u>\$ (40,666)</u>

TOWN OF LOCKPORT
Budget Comparison Schedule
Building Maintenance Fund
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental				
Federal:	\$ -	\$ 62,630	\$ 62,630	\$ -
Disaster Relief				
State	-	100,000	100,000	-
Miscellaneous:				
Rental Income	46,859	45,751	44,451	(1,300)
Interest Earned	4,000	1,520	1,504	(16)
Other	7,920	15,893	16,620	727
Total Revenues	<u>58,779</u>	<u>225,794</u>	<u>225,205</u>	<u>(589)</u>
EXPENDITURES				
General Government - current:				
Current:				
Insurance	7,300	12,123	12,123	-
Utilities	18,000	14,622	13,380	1,242
Maintenance and Supplies	15,500	18,900	11,872	7,028
Hurricane Expense	-	74,562	74,562	-
Other Expense	5,000	1,452	1,790	(338)
Total current expenditures	<u>45,800</u>	<u>121,659</u>	<u>113,727</u>	<u>7,932</u>
Capital Outlay	-	105,000	123,589	(18,589)
Total Expenditures	<u>45,800</u>	<u>226,659</u>	<u>237,316</u>	<u>(10,657)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>12,979</u>	<u>(865)</u>	<u>(12,111)</u>	<u>(11,246)</u>
Net change in fund balance	<u>12,979</u>	<u>(865)</u>	<u>(12,111)</u>	<u>(11,246)</u>
FUND BALANCES				
Beginning of year	129,193	125,419	125,419	-
End of year	<u>\$ 142,172</u>	<u>\$ 124,554</u>	<u>\$ 113,308</u>	<u>\$ (11,246)</u>

TOWN OF LOCKPORT
Statement of Net Assets
For the Year Ended June 30, 2009

	Business Type Activities Enterprise Fund
ASSETS	
Current	
Cash and cash equivalents	\$ 10,126
Due from other funds	4,690
Due from other governmental units	12,888
Other assets	147
Total current assets	<u>27,851</u>
Restricted	
Cash and cash equivalents	191,948
Capital Assets	
Non-depreciable	-
Depreciable, net	1,953,265
Net capital assets	<u>1,953,265</u>
TOTAL ASSETS	<u>2,173,064</u>
LIABILITIES	
Current	
Payable from current assets -	
Due to other funds	788
Total Payable from current assets	<u>788</u>
Payable from restricted assets:	
Bonds payable within one year	94,000
Accrued interest on bonds	7,869
Total payable from restricted assets	<u>101,869</u>
Total current liabilities	<u>102,657</u>
Non-current liabilities	
Revenue bonds payable	644,000
TOTAL LIABILITIES	<u>746,657</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,215,265
Restricted for debt service purposes	184,079
Unrestricted	27,063
Total net assets	<u>\$ 1,426,407</u>

TOWN OF LOCKPORT
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2009

REVENUES

Charges for services -	
Sewer fees	\$ 152,877

OPERATING EXPENSES:

General government	16,091
Sewerage department	180,000
Depreciation	68,274
Total operating expenses	264,365

Operating loss	(111,488)
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NON-OPERATING REVENUE (EXPENSES):

Investment Income	4,238
Other non-operating revenues	12,099
Intergovernmental	23,369
Interest and fiscal charges	(23,619)
	16,087
Income before transfers	(95,401)

TRANSFERS (TO) FROM OTHER FUNDS:

Sales Tax Fund	75,000
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CHANGES IN NET ASSETS	(20,401)
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NET ASSETS:

Beginning of year	1,446,808
End of year	\$ 1,426,407

TOWN OF LOCKPORT
Statement of Cash Flows
For the Year Ended June 30, 2009

	Business Type Activities Enterprise Fund
Cash flows from operating activities:	
Cash received from customers and users	\$ 152,989
Cash payments to suppliers for goods and services	(67,091)
Cash payments made to employees for services	(55,798)
Net cash provided (used) by operating activities	<u>30,100</u>
Cash flows from noncapital financing activities:	
Transfer from sales tax fund	75,000
Proceeds from intergovernmental grants	23,369
Other noncapital financing revenue	12,099
Net cash provided (used) by noncapital financing activities	<u>110,468</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bond maturities	(94,000)
Interest paid on revenue bonds	(23,619)
Purchase of capital assets and completion of projects	(228,828)
Net cash provided (used) for capital and related financing activities	<u>(346,447)</u>
Cash flows from investing activities:	
Interest and dividends on investments	4,238
Net cash provided (used) by investing activities	<u>4,238</u>
Net increase (decrease) in cash and cash equivalents	(201,641)
Cash and cash equivalents at the beginning of year	403,715
Cash and cash equivalents at the end of year	<u>\$ 202,074</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (111,488)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	68,274
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(112)
(Increase) decrease in due from other funds	91,172
(Increase) decrease in due from other governments	24,931
Increase (decrease) in accounts payable	(833)
Increase (decrease) in retainages payable	(6,009)
Increase (decrease) in due to other funds	(35,835)
Total adjustments	<u>141,588</u>
Net cash provided (used) by operating activities	<u>\$ 30,100</u>

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

The Town of Lockport, Louisiana was incorporated May 10, 1899, under the provisions of Act 136 (Lawson Act) of 1898, State of Louisiana. The Town operates under a Mayor-Town Council form of government and provides the following services as authorized by its charter: public safety, streets and highways, drainage, culture-recreation, public improvements, planning and zoning, and general administrative services.

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Lockport (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with GASB Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," the Town applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, for its government-wide financial statements, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the accounting policies utilized are described below.

A. Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100 has been considered and as a result, there are no component units required to be included in the reporting entity

B. Basis of Presentation and Accounting - Measurement Focus

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds.. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation costs, are recorded only when payment is due (matured).

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, parking fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. Available has been defined as received within 60 days. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

The following is a description of the major funds of the Town of Lockport:

Governmental funds:

- *General Fund* - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General fund is always a major fund.
- *Special Revenue Funds* - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special revenue funds reported as major funds in the fund financial statements are as follows:

Sales Tax Fund – To account for the receipt and use of proceeds of the Town's 1% sales and use tax. The revenues derived from the tax are to be used for the purposes of constructing, acquiring, extending and/or improving sewers and sewerage disposal works, waterworks facilities, drainage facilities, streets (including sidewalks and street lighting facilities), public buildings, public parks and fire department and police stations and equipment; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities, title to which improvements shall be in the public, and for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the Town, or for any one or more of said purposes; and such tax to be subject to funding into bonds by the Town in the manner authorized by Sub-Part D, Part 1, Chapter 6, Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:2271, et seq.).

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on May 4, 1985, for the purpose of constructing, acquiring, improving, operating and maintaining solid waste collation and disposal facilities, including purchasing and acquiring the necessary land, equipment and furnishings therefore, title to which shall be in the public, or for any one or more of said purposes.

Authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on April 11, 1992, for the use of thirty percent of the proceeds of the tax to be used for any lawful corporate purpose of the Town; or for any one or more of said purposes, and further the Town, if authorized, to fund the proceeds of the tax into bonds for any one or more of said purposes, to the extent and in the manner provided by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes, as amended.

Building Maintenance Fund - To account for the receipt and use of proceeds from lease and/or rental of the Town Hall Complex. Notwithstanding any other ordinance to the contrary, revenues which accumulate in this fund shall be used solely for and are hereby dedicated for the payment of operating expenses and capital expenditures incurred directly for the preservation and operation of the physical plant of the Town Hall Complex.

Proprietary Funds

Enterprise Funds –are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements, the enterprise fund reported as a major fund in the fund financial statements is as follows:

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Sewer Fund – To account of the provision of sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations maintenance, financing and related debt service, and billing and collection.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents and Investments

Cash includes amounts in regular and money market accounts.

State law limits investments in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. The state investment pool (LAMP) operates in accordance with state laws and regulations. It is the Town's policy to limit its investments in these investment types. Investment policies are governed by state statutes and bond covenants.

For purposes of the statement of cash flows, cash and cash equivalents include the investment in the Louisiana Asset Management Pool (LAMP). LAMP is an external pool, which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. Accordingly, the fair value of the Town's position in LAMP is the same as the value of its pool shares.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

F. Interfund Receivables and Payables

During the course of operations transactions occur between individuals funds. These receivables and payables are classified as "due to or due from other funds" on the fund financial statement balance sheet. Transfers represent a permanent reallocation of resources between funds, and are not expected to be repaid.

In the process of aggregating data for the government-wide financial Statement of Net Assets and the Statement of Activities some amounts reported as due to/from balances were eliminated. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on the assets and liabilities within the governmental activities column.

G. Capital Assets

Capital assets, which include land and land improvements, buildings, equipment and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town uses a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. At this point the project costs are moved out of construction-in-progress and capitalized.

Straight-line depreciation is used based on the following estimated useful lives:

<u>Type of Capital Asset</u>	<u>Number of Years</u>
• Buildings and building improvements	20-40
• Equipment	5-20
• Sewer system and improvements	14-40
• Infrastructure	25-50

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. Long-term Debt

In the government-wide statement of net assets and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities. In proprietary funds bond premiums, discounts and issuance costs, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

I. Compensated Absences

Employees of the Town can earn vacation time depending on length of service. Under the terms of the Town's vacation policy, vacation time can be accumulated up to a maximum of forty hours, plus the current year accumulation. On the payroll following the employee's anniversary hire date, the employee will be paid for those hours that exceed the maximum allowed accumulated hours and the accrued vacation hours will be reduced accordingly. The amount of accrued vacation days is immaterial therefore no accrued liability of compensated absences has been reported.

Employees are not limited in the accumulation of sick leave. Employees are not compensated for the accumulated sick leave upon retirement or other termination. Accumulated sick leave lapses at separation of employment therefore no liability for earned and unused sick time is recorded.

J. Restricted Assets

Restricted assets in the enterprise fund – Sewer Fund consists of \$191,948 in specific assets required to be segregated as to use pursuant to restrictions arising from the Sewer Revenue Bond Issue.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Fund Equity

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, (net)—Consists of capital assets net of accumulated depreciation and net of capital related debt.
- Restricted net assets—Consists of net assets with constraints placed on the use by law through constitutional provisions or enabling legislation.
- Unrestricted net assets—All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, the unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

Note 2 BUDGETS

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Annual appropriated budgets are adopted for the following governmental funds: general and special revenue. All annual appropriations lapse at year-end.

The Town does not employ encumbrance accounting; under which purchase orders contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 15, a proposed operating budget for the year commencing the following July 1 shall be submitted to the Mayor and Town Council by the Town Clerk. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 2 BUDGETS (Continued)

- The Town Council conducts public hearings to obtain taxpayer comments.
- All actions necessary to adopt and otherwise finalize and implement the budget for an ensuing year are taken prior to the end of the year in progress.
- The level of budgetary control is at the fund, department or project level and any amendment for amounts exceeding any current expenditure amount budgeted must be approved by the Town Council.
- All budgeted amounts, which are not expended, or obligated through contracts, lapse at year end.
- Budgets for all governmental fund types are adopted on a basis consistent with GAAP.

The budget was amended one time during the year. The financial statements reflect the amended budget amounts.

Note 3 PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Town. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31, with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2008 levy was based, was \$7,902,927.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correction of assessments by the assessor is subject to the review and certification by the Louisiana Tax Commission.

For the year ended June 30, 2009, the tax rate was \$8.26 per \$1,000 of assessed valuation on property within the Town for general government services. Total taxes levied were \$64,799.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 4 DEPOSITS AND INVESTMENTS

Deposits - Demand (deposits, interest bearing demand deposits and money markets) are recorded at cost, which approximates fair value. At June 30, 2009, the carrying amount of deposits was \$349,058 and the bank balance was \$429,899. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009 \$158,405 of the entity's bank balance was considered to be exposed to custodial credit risk.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

FDIC and pledged securities valued at \$1,423,696 (\$271,493 in FDIC and \$1,152,202 in pledged securities) for 2009, secure these deposits from risk. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the Town's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

Investments - All of the Town's investments (\$828,791) are in the Louisiana Asset Management Pool (LAMP), a state and local government investment pool. They have an average maturity of 60 days or less. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. A board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's governs the corporation. These approved investments are carried at cost, which approximate market and may be liquidated as needed.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 4 DEPOSITS AND INVESTMENTS (continued)

Custodial credit risk is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This investment pool has not been assigned a risk category since the Town is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool. As of June 30, 2009, the Town's investment in LAMP was rated AAA by Standard & Poor's.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. LAMP investments are considered pooled fixed income whose investment maturities are all less than 1 year.

Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As of June 30, 2009, the Town's investment in LAMP was rated AAA by Standard & Poor's

NOTE 5 DUE FROM GOVERNMENTAL UNITS

The amounts due from other governmental units at June 30, 2009 were:

	State of LA	Lafourche Parish School Board	Lafourche Parish Water District No. 1	FEMA	Other	Totals
Governmental Activities:						
General Fund	\$10,770	\$10,778		\$95,278	\$603	\$117,429
Sales Tax Fund		35,926				35,926
TOTALS:	\$10,770	\$46,704		\$95,278	\$603	\$153,355
Business- type Activities:						
Sewer Fund			\$12,888			\$12,888

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental Activities	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
Capital assets not being depreciated:				
Land	\$ 219,723	\$ -	\$ -	\$ 219,723
Construction in Progress	16,136	110,822	118,583	8,375
TOTALS	235,859	110,822	118,583	228,098
Capital assets being depreciated:				
Buildings	990,348	123,589	819	1,113,118
Infrastructure	1,838,805	-	51,573	1,787,232
Equipment	451,206	31,578	35,466	447,318
Parks	102,955	-	-	102,955
TOTALS	3,383,314	155,167	87,858	3,450,623

Less accumulated depreciation:

Buildings	\$ 508,255	26,550	819	533,986
Infrastructure	707,744	44,875	39,787	712,832
Equipment	261,011	42,432	32,132	271,311
Parks	24,466	3,980	-	28,446
TOTALS	\$ 1,501,476	117,837	72,738	1,546,575
Capital assets being depreciated, net	\$ 1,881,838			\$ 1,904,048
Total governmental activities capital assets, net	\$ 2,117,697			\$ 2,132,146

Business-Type Activities	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
Capital assets not being depreciated:				
Construction in Progress	\$ 88,891	\$ 205,077	\$ 293,968	\$ -
TOTALS	88,891	205,077	293,968	-
Capital assets being depreciated:				
Sewer System	2,485,955	293,967	-	2,779,922
Machinery and equipment	35,167	23,440	-	58,607
TOTALS	2,521,122	317,407	-	2,838,529

Less accumulated depreciation:

Sewer System	\$ 796,627	61,764	-	858,391
Machinery and equipment	20,363	6,510	-	26,873
TOTALS	816,990	68,274	-	885,264
Capital assets being depreciated, net	\$ 1,704,132			\$1,953,265
Total business-type activities capital assets, net	\$ 1,793,023			\$1,953,265

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 6 **CAPITAL ASSETS (Continued)**

Depreciation expense was allocated to functions of the Town as follows:

<u>Governmental Activities:</u>		
General government	\$	28,980
Streets and highways		22,936
Drainage		28,380
Public Safety		33,213
Culture and recreation		4,328
Total depreciation expense - governmental activities	\$	<u>117,837</u>
<u>Business-Type Activities:</u>		
Sewer	\$	<u>68,274</u>

Note 7 **CAPITAL LEASES**

The Town entered into a capital lease agreement for financing the acquisition of three vehicles. The lease agreement qualifies as a capital lease; therefore, the vehicles have been recorded at the present value of the future minimum lease payments as of the date of its inception. The vehicles acquired through capital lease have a net book value of \$46,595, net of accumulated depreciation amounting to \$31,063 at June 30, 2009.

Principal payments for the year totaled \$18,146. The following is a schedule of future minimum lease payments under the capital lease agreement and the present value of the net minimum lease payments:

Year Ending <u>June 30,</u> 2010	General Long <u>Term Debt</u>
	\$20,543
Less: Amount representing interest	<u>1,236</u>
Present value of minimum lease payments	<u>\$19,307</u>

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 8 **LONG TERM DEBT**

On December 1, 1996 the Town issued Sewer Revenue Bonds Series 1995 in the amount of \$1,770,000 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding at June 30, 2009 are \$738,000 repayable through 2016 at an interest rate of 2.45% plus a .5% annual administration fee.

Bond Requirements and Covenants

Under the terms of the bond indenture outstanding, principal and interest is secured and payable solely from a pledge of the income and revenues to be derived from the operation of the System. All revenues must be deposited in the System and required transfers made to the following funds on a monthly basis after the payment of operating expenses:

a) Sewer Revenue Bond Sinking Fund

Monthly transfers are required to this fund in an amount necessary to make the principal and interest payments as they become due. This fund is restricted for this purpose.

b) Sewer Revenue Bond Debt Service Reserve Fund

The amount in this account represents the highest amount of principal and interest due on each bond issue in future years on the System's outstanding revenue bonds. The fund is restricted to the payment of principal and interest in case of default on the bond issue.

c) Sewer System Renewal and Replacement Fund

Monthly transfers of 5% of gross revenues of the System for the preceding month are required. The fund is restricted to payments for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Sinking Fund and Bond Debt Service Reserve Fund. However, this fund must contain a minimum of \$60,000 at all times.

The accounting requirements of the bond resolutions, as state in a) through c) above, have been complied with for the year ended June 30, 2009.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 8 LONG TERM DEBT (Continued)

A summary of changes in long-term debt of the District is as follows:

	Payable 6/30/08	Debt Incurred	Debt Retired	Payable 6/30/09
Sewer Revenue Bonds, Series 1995	\$832,000		\$94,000	\$738,000

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

Maturity	Principal	Interest	Total
2010	\$97,000	\$21,771	\$118,771
2011	99,000	18,909	117,909
2012	102,000	15,990	117,990
2013	105,000	12,980	117,980
2014	108,000	9,882	117,882
2015-2016	227,000	10,088	237,088
Totals	\$738,000	\$89,620	\$827,620

Note 9 INTERFUND RECEIVABLES/PAYABLES

Interfund receivables and payables for the individual funds were:

INDIVIDUAL FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund	\$788	\$4,607
Building Maintenance Fund		83
Sewer Fund	4,690	788
Totals	\$ 5,478	\$5,478

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 10 OPERATING TRANSFERS

A reconciliation of operating transfers for the year ended June 30, 2009 is as follows:

INDIVIDUAL FUND	TRANSFERS IN	TRANSFERS OUT
General Fund	\$127,776	
Sales Tax Fund		\$202,776
Sewer Fund	75,000	
Totals	\$ 202,776	\$202,776

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

Note 11 RISK MANAGEMENT

The Town is exposed to various risks of loss related to general liability, auto, workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; group health benefits; and natural disasters for which the Town carries commercial insurance. No settlements were made during the year that exceeded the Town's insurance coverage.

Note 12 COMMITMENTS AND CONTINGENCIES

The Town received funding under grants from various state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 13 PENSION PLANS

Employees of the Town, with the exception of the policemen, are members of the Municipal Employees' Retirement System of Louisiana. Full-time policemen, not participating in the Federal Social Security System, are members of the Municipal Police Employees' Retirement System of Louisiana (MPERS).

A. Municipal Employees' Retirement System

Plan Description – The Town contributes to Plan A of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. Act 569 of the 1968 Louisiana Legislative Session provided an optional method for municipalities to cancel Social Security and come under supplementary benefits in the System, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are known as "Plan A" and "Plan B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only original plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809.

Funding Policy – Plan members are required to contribute 9.25% of their annual covered earnings, and the Town is required to contribute at an actuarially determined rate. The current rate is 13.5% for July 2008 to June 2009. In addition, the system also receives a percentage of tax revenues from various taxing bodies. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contribution to the system for the years ended June 30, 2009, 2008 and 2007 were \$21,342, \$19,141 and \$21,975, respectively, equal to the required contribution for each year.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 13 PENSION PLANS (Continued)

B. Municipal Police Employees' Retirement System

Plan Description – The Town contributes to the Municipal Police Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustment to plan members and beneficiaries. Act 189 of the 1973 Louisiana Legislative Session established the plan.

The System is governed by Louisiana Revised Statutes 11:2211 through 11:2234, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding Policy – Plan members are required to contribute 7.5% of their annual covered earnings excluding overtime but including state supplemental pay, and the Town is required to contribute at an actuarially determined rate. The current rate is 9.5%. In addition, the System also receives a percentage of insurance premiums. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contributions to the System for the years ended June 30, 2009, 2008 and 2007 were \$21,442, \$24,122 and \$25,461, respectively, equal to the required contributions for each year.

Note 14 ON BEHALF PAYMENTS FOR SUPPLEMENTAL PAY

The Town recognizes as revenues and expenditures salary supplements, which includes the police that the State of Louisiana has paid directly to the Town's employees. As of June 30, 2009, the total on-behalf payments made amounted to \$30,600.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Note 15 OTHER REQUIRED DISCLOSURES

As of February 2001, Lafourche Parish Water District #1 began billing and collecting sewer fees for the Town of Lockport. The Water District remits the fees to the Town, less and eight percent collection fee.

The aggregate dollar amount collected for Sewer Services during the year ended June 30, 2009 was \$152,877 for services to an average of 1,106 customers per month (unaudited) for 12 months resulting in an average monthly billing of \$11.59 per user. The number of users at the end of the fiscal year was 1,095 (unaudited).

As of June 30, 2009 the Town of Lockport charged the following rates for all sewer services furnished by the System, as follows:

- First 2,000 gallons per month \$5.00 per 2000 gallons
- over 2,000 gallons per month \$1.93 per 1,000 gallons

***REQUIRED SUPPLEMENTARY
INFORMATION***

TOWN OF LOCKPORT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Fund - Sewer Fund
For the Year Ended June 30, 2009

REVENUES

Charges for services -		
Sewer fees	\$	152,877

OPERATING EXPENSES:

General government		
Salaries - administrative		3,368
Retirement		458
Payroll expense		49
Rent expense		1,800
Bank Charges		46
Collection fees		10,370
Total general governmental		16,091

Sewer Department:

Salaries:		
Plant operator		22,180
Plant maintenance		20,267
Retirement		4,985
Payroll expense		4,491
Insurance		4,040
Utilities, phone and postage		37,293
Vehicle expense		3,437
Chemicals		7,724
NPDES permit		5,398
Plant maintenance		11,948
Sewerline maintenance		3,712
Equipment maintenance		11,603
Engineering fees		6,266
Hurricane expense		28,868
Other expense		7,788
Total Sewer Department		180,000

Depreciation

Sewer plant		50,723
Sewerlines		11,041
Equipment		6,510
Total depreciation		68,274
Total operating expenses		264,365

Operating loss		(111,488)
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NON-OPERATING REVENUE (EXPENSES):

Investment Income		4,238
Other non-operating revenues		12,099
Intergovernmental		23,369
Interest and fiscal charges		(23,619)
Total non-operating revenues		16,087

Income before transfers		(95,401)
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TRANSFERS (TO) FROM OTHER FUNDS

Sales Tax Fund		75,000
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CHANGE IN NET ASSETS

(20,401)

NET ASSETS

Beginning of year		1,446,808
End of year		\$ 1,426,407

SCHEDULE OF INSURANCE IN FORCE

Town of Lockport, Louisiana

June 30, 2009

(UNAUDITED)

Name of Insurer	Policy From	Policy To	Details of Coverage	Amount
Louisiana Citizens Property Insurance Co.	9/23/2008	9/23/2009	Property Coverage Town Hall Town Hall Contents Sewer Plant Contents The Locks	1,000,000 150,000 25,000 145,000
CNA Surety Bond	1/30/2009	1/30/2010	Fidelity Bond - Mayor	5,000
CNA Surety Bond	7/16/2008	7/16/2011	Fidelity Bond - Town Clerk	10,000
CNA Surety Bond	6/26/2009	6/26/2010	Fidelity Bond - Mayor Pro Tem	5,000
CNA Surety Bond	12/13/2008	12/13/2009	Fidelity Bond - Admin Clerk	2,000
Louisiana Municipal Risk Management Agency	1/1/2009	1/1/2010	Workmen's Compensation	LA Statutes
Louisiana Municipal Risk Management Agency	9/21/2008	9/21/2009	Commercial General Liabilit Premises per occurrence Medical per person Medical per accident Fire Legal per occurrence	500,000 500,000 1,000 10,000 50,000
Louisiana Municipal Risk Management Agency	9/21/2008	9/21/2009	Automobile Liability Deductible	500,000 none
Louisiana Municipal Risk Management Agency	9/21/2008	9/21/2009	Law enforcement Officer Deductible per occurrence	500,000 1,000
Louisiana Municipal Risk Management Agency	9/21/2008	9/21/2009	Errors and Omissions Deductible per occurrence	500,000 1,000
ESSEX Insurance Company	9/21/2008	9/21/2009	Commercial Auto Physical Damage Comp/Collision (Schedule vehicles) Deductible (per unit) Comprehensive Collision as scheduled	ACV or Cost 500
Zurich Insurance Company	12/26/2008	12/26/2009	202 Main Street Renovations & improvement Existing Buildings Property other locations Property in transit Deductible	100,000 176,000 10,000 25,000 1,000

TOWN OF LOCKPORT
COMPENSATION PAID TO MEMBERS OF THE TOWN COUNCIL
For the year ended June 30, 2009

<u>Name</u>	<u>Office</u>	<u>Compensation</u>	<u>Per Diem*</u>
Richard Champagne	Mayor	\$ 9,000	\$ -
Donovan Barker	Councilman	-	1,800
Paul A. Champagne	Councilman	-	1,700
Rodney R. Hartman	Councilman	-	1,800
Craig Rogers	Councilman	-	1,800
Weldon Triche	Councilman	-	1,800
		<u>\$ 9,000</u>	<u>\$ 8,900</u>

* Per diem is paid at the rate of \$100 for July-Dec 2008 and \$200 for Jan-June 2009 for attendance at one monthly regular meeting and \$50 for attendance at special meeting when called by the Town of Lockport.

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Lockport, Louisiana

We have audited the financial statements of the governmental activities, business-type activities and each major fund of the Town of Lockport, Louisiana (the Town) as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements, and have issued our report thereon dated September 8, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
September 8, 2009



TOWN OF LOCKPORT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

We have audited the financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 2009, and have issued our report thereon dated September 8, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No
Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards

N/A - NONE

Internal Control

Material Weaknesses ☐ Yes ☐ No Significant Deficiencies ☐ Yes ☐ No
Type of Opinion On Compliance Unqualified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐
Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs

N/A - NONE

CFDA Number (s)	Name of Federal Program (or Cluster)
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Dollar threshold used to distinguish between Type A and Type B programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

NOT APPLICABLE



TOWN OF LOCKPORT
STATUS OF PRIOR AUDIT FINDINGS
June 30, 2009

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
<u>08-1</u>	<u>6/30/2008</u>	<u>STATE BID LAW VIOLATION</u>	<u>YES</u>	<u>RESOLVED</u>
<u>08-2</u>	<u>6/30/2008</u>	<u>STATE BID LAW VIOLATION</u>	<u>YES</u>	<u>RESOLVED</u>
<u>08-3</u>	<u>6/30/2008</u>	<u>LOCAL GOVT BUDGET LAW VIOLATION</u>	<u>YES</u>	<u>PARTIALLY RESOLVED</u>
Section II - Internal Control and Compliance Material to Federal Awards:				
		<u>NONE</u>		
Section III - Management Letter:				
<u>08-4</u>	<u>6/30/2008</u>	<u>NEED TO INCLUDE MD&A</u>	<u>YES</u>	<u>RESOLVED</u>

This summary schedule of prior audit findings includes all prior audit findings and management letter comments. It also includes audit findings reported in the prior auditor's summary schedule of prior audit findings, except those audit findings listed as corrected or no longer valid or not warranting further action.